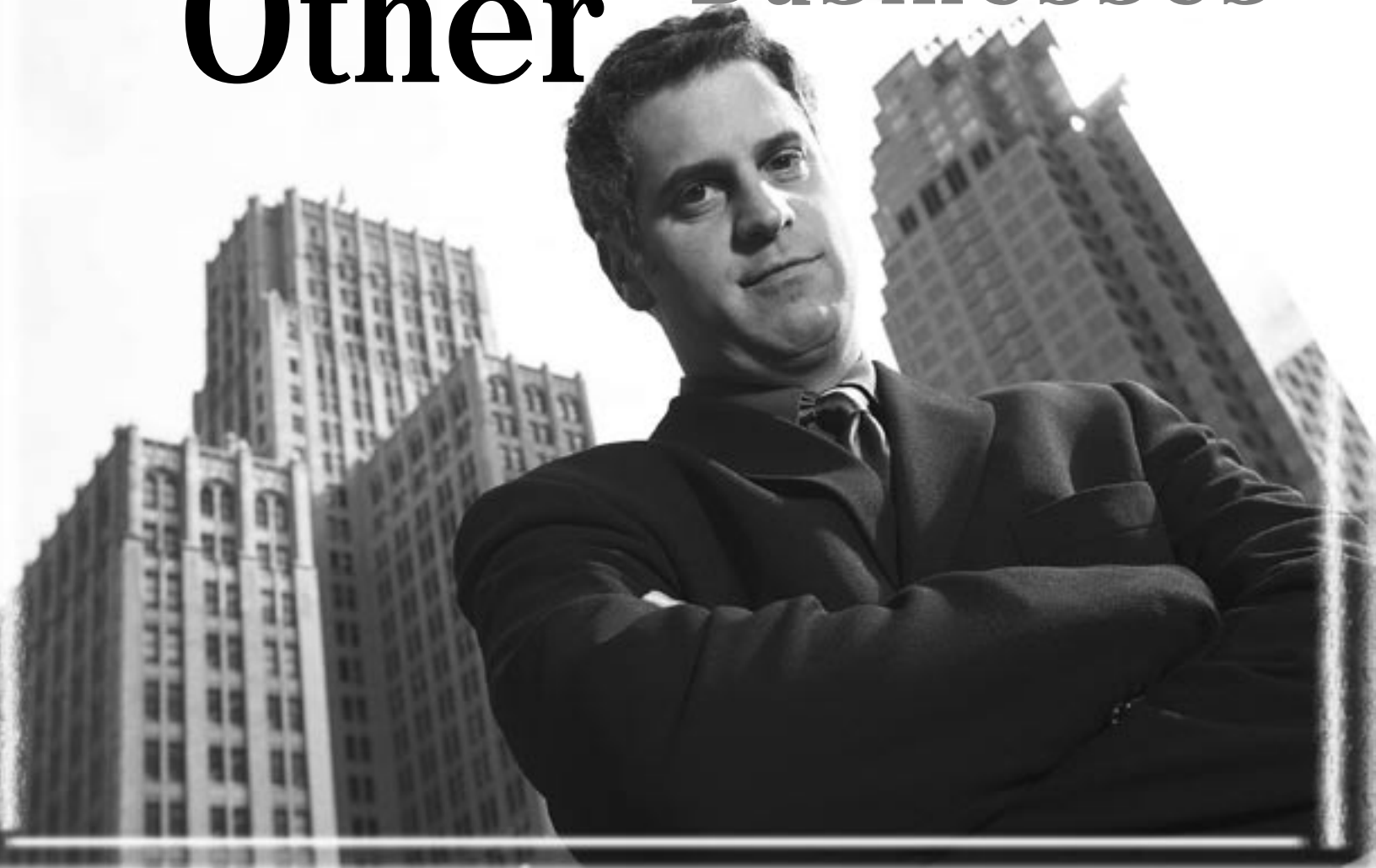


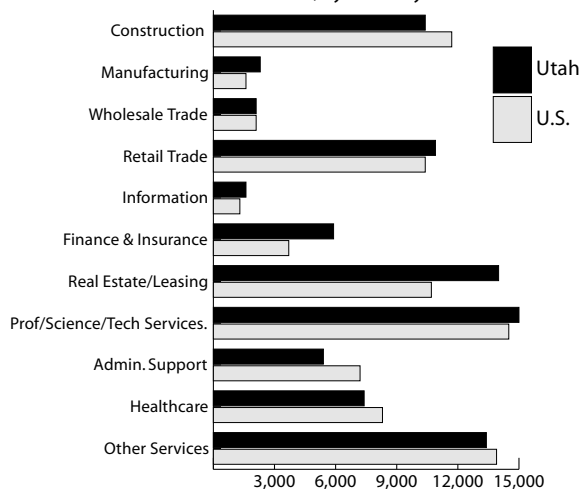
# The “Other” Businesses *Those Without Employees*



**by John Mathews**

## Owner-Only Businesses

Utah vs. the U.S., by Industry 2002



Source: U.S. Census Bureau.

Typically when we talk about jobs we mean working for the “man.” Most individuals who work, work for pay on a company’s payroll. In Utah, about 1.1 million persons work for a paycheck. Another side to this working concept is the small business with just an owner(s) and no official employees. The number of business entities that don’t have workers on their payrolls numbered 144,400 in Utah for 2002. That’s twice as many as the 67,700 Utah worksites with employees. These 140,000 plus businesses – those with one or more owners but no paid employees – brought in over \$6 billion in receipts to the Utah economy during 2002.

Owners in businesses with no employees are typically what we call “self-employed.” This information originates from the annual business tax forms filed with the Internal Revenue Service (IRS). These businesses may be run by one or more persons, can range from home-based businesses to corner stores or construction contractors, and often are part-time ventures with owners operating more than one business at a time.

### What Industries Are These “Non-Employers” Concentrated In?

Over 60 percent, 92,000, of these 140,000 owner-only businesses are concentrated in just five of 18 industry sectors. The largest concentration was in professional, scientific, and technical services, which covers a wide variety of activity, as the name implies. Another 20,200 persons/businesses filed tax reports in the real estate and rental and leasing industry. Virtually all of the activity in this group is for real estate agents (18,900). The “other services” industry, which has over 19,000 businesses reporting, was made up of enterprises involved with repair (auto) and personal care services (beauty and nail salons). The last two industries with high numbers of non-employee business are construction (specific skilled trades self-employed workers), which accounts for 10 percent of the total or 15,000 businesses, and sales workers that are not on payrolls (15,800).

### Comparing Owner-Only v. Businesses with Employees

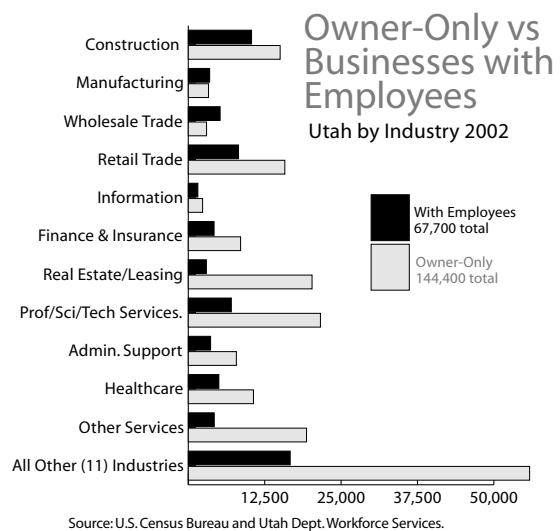
Business owners with no employees (the self-employed), although active in all industries, are concentrated in a few. The accompanying chart compares businesses with no employees to businesses with employees by major industry sector for 2002. Apparent from the chart are concentrations of business owners with no employees (to a large extent the self-employed) concentrated in construction, sales, real estate professional/scientific, technical services, and other services.



Muddying the waters further is that business owners operating businesses with no employees may themselves be employees on some other company's payroll. In fact, one person may have many businesses, and be counted multiple times – one tax form filed for each of the businesses he/she owns.

### Is Utah Like the Nation in the Type of Owner-Only Businesses?

The answer is “yes and no.” Figures. Although Utah is very much like the nation in many of the industries, it is different in a few (see chart). Namely, the nation has a measurably higher concentration in construction, administrative support, and healthcare. Utah exceeds the national share in retail trade, finance and insurance, real estate, and professional, scientific and technical services. Utah is significantly higher in real estate with an owner-only proportion of 14.0 percent compared to the national average of only 10.7 percent. What that means is Utah has a whole lot more real estate agents for its population than does the nation.



For more information on Non-Employer Businesses visit this Census link:

<http://www.census.gov/epcd/nonemployer/index.html>